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MEMORANDUM

TO: Joe Giniewicz, Associate Planner

FROM: Allison Lamey, Economic Development Director

DATE: April 12, 2016

SUBJECT: 42 Wellman Street/Connector Park – Fiscal Impact Analysis

The methodology used in the Fiscal Impact Analysis, which considers the “service cost” per household/per capita is the standard method most often recommended for residential development analysis in mid-size communities like Lowell.

While the data sources and overall figures appear accurate there are a few issues not considered in the analysis:

- The study considers the cost of municipal services based on the City’s current budget however service costs rarely remain constant over time so this figure will increase.
- Only 3 basic service costs are considered in the report (school, police, and fire). Other municipal services that are not included but will likely be impacted include road maintenance including snow and ice removal, traffic, solid waste, water/sewer, etc.
- The study considers current service levels and capacity for police, fire, and schools and does not take into consideration the need to increase these services due to the increase in residential population generated by this development.
- The methodology used in the report considers only the impact of this single project in isolation of other projects. The anticipated move of Kronos to nearby Cross Point Towers, which is estimating to bring 1500+ employees to the area every day will undoubtedly have an impact on the area, particularly in terms of traffic.
- The discussion about economic benefits of consumer spending by residents is consistent with other similar analyses however it does not consider how this spending would compare if the development was a predominantly commercial use which may likely generate more spending especially on dining/food.